

EXHIBIT “3”

AFFIDAVIT

STATE OF ALABAMA)

COUNTY OF MONTGOMERY)

Named of Insured: Stinnett Group, LLC

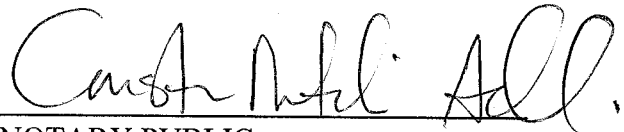
Policy Numbers: 974617-38166390-03

I, Todd Worley, being duly sworn, say that I am Assistant Manager Montgomery Claims Branch of Owners Insurance Company and that I have compared the attached copy of the Owners Insurance Company Tailored Protection Insurance Policy, Policy No.: 974617-38166390-03 listed above and the endorsements thereto with the original records of the policy of insurance and endorsements as contained in the company's files and that the same is a true and exact recital of all the provisions in the said original and endorsements thereto for the policy term 09-13-03 to 09-13-04.



TODD WORLEY

Sworn to and subscribed before me this the 1st day of May, 2007.



NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: May 23, 2008
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Owners

Page 1

55039 (11-87)

Issued 07-10-2003

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 09-13-2003

AGENCY WHITTAKER-WARREN INSURANCE INC

17-0877-00

MKT TERR 040

(334) 347-2631

POLICY NUMBER 974617-38166390-03

INSURED STINNETT GROUP LLC

ADDRESS 423 GLOVER AVE

ENTERPRISE, AL 36330-2022

Company
Bill

POLICY TERM

12:01 a.m. 12:01 a.m.

09-13-2003 to 09-13-2004

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMON POLICY INFORMATION

BUSINESS DESCRIPTION: Heating & Cooling

ENTITY: Corporation

PROGRAM: Premier Contractors

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S).

PREMIUM

THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COMMERCIAL PROPERTY COVERAGE

\$1,403.00

COMMERCIAL GENERAL LIABILITY COVERAGE

5,113.00

COMMERCIAL INLAND MARINE COVERAGE

1,425.00

TOTAL

\$7,941.00

FORMS THAT APPLY TO ALL COVERAGE PART SHOWN ABOVE (EXCEPT GARAGE LIABILITY, DEALER'S BLANKET, COMMERCIAL AUTOMOBILE, IF APPLICABLE)

55003 (01-87) IL0017 (11-85) 55056 (07-87)

A 9% CUMULATIVE MULTI-POLICY DISCOUNT APPLIES. SUPPORTING POLICIES ARE MARKED WITH AN (X): COMM UMB(X) COMM AUTO(X) WC() LIFE(X) PERSONAL() FARM()

Countersigned By: _____

I certify that this policy was assembled from available records as a representation of coverage that was in effect for the policy period shown.

Date

Jennifer Hamilton
7-28-06

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INSURANCE COMPANY

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**PROPERTY PLUS COVERAGE
PACKAGE DECLARATION**

The coverages indicated below apply separately to the location(s) and sublocation(s) designated in the Commercial Property Coverage Declarations. The corresponding limit of insurance for any one coverage applies to all covered loss:

- a. at the location designated in the Commercial Property Coverage Declarations, or
- b. away from the location designated in the Commercial Property Coverage Declarations

regardless of the number of locations or sublocations designated in the Commercial Property Coverage Declarations.

** The deductible (DED) which applies to each coverage indicated below is the same as the deductible which applies to each location and sub-location shown on the Commercial Property Coverage Declarations, unless otherwise indicated:

COVERAGE	LIMIT	DED
ARSON REWARD	\$5,000	NONE
BUSINESS INCOME & EXTRA EXPENSE	\$30,000	NONE
BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS	\$5,000	**
BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE	UP TO 1,000 FEET	**
DEBRIS REMOVAL	\$25,000	NONE
FIRE EXTINGUISHER RECHARGE	\$2,500	NONE
GLASS BREAKAGE	\$1,000 PER PANE	**
	\$5,000 PER OCCURRENCE	
INVENTORY	UP TO 25% OF BPP LIMIT	NONE
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$500,000 FOR 90 DAYS	**
NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY	\$500,000 FOR 90 DAYS	**
OFF-PREMISES UTILITY SERVICE CHARGE FAILURE	\$5,000	**
ORDINANCE OR LAW	\$25,000	**
OUTDOOR PROPERTY	\$5,000	**
TREES, SHRUBS OR PLANTS	\$500 PER ITEM	**
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$15,000	**
POLLUTANT CLEAN UP AND REMOVAL	\$25,000	NONE
PROPERTY IN TRANSIT	\$25,000	**

Continued on next page

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PROPERTY PLUS COVERAGE

PACKAGE DECLARATION

COVERAGE	LIMIT	DED
PROPERTY OFF PREMISES	\$25,000	**
REFRIGERATED PRODUCTS	\$5,000	**
REKEYING OF LOCKS	\$1,000	NONE
WATER BACK-UP FROM SEWERS OR DRAINS	\$10,000	**
ACCOUNTS RECEIVABLE	\$30,000	**
SIGNS (ATTACHED AND DETACHED)	\$5,000 PER SIGN	**
ELECTRONIC DATA PROCESSING EQUIPMENT	\$10,000	**
SALESPERSON'S SAMPLES	\$10,000	**
VALUABLE PAPERS	\$30,000	**
EMPLOYEE DISHONESTY	\$10,000	**
FORGERY AND ALTERATION	\$10,000	**
MONEY AND SECURITIES	\$10,000 ON PREMISES	**
	\$10,000 OFF PREMISES	
FIRE DEPARTMENT SERVICE CHARGE	\$2,500	NONE

FORMS THAT APPLY TO THIS COVERAGE PART:

54182 (06-00)	54205 (06-00)	54188 (06-00)	54199 (06-00)	54198 (06-00)
54190 (06-00)	54223 (06-00)	54184 (06-00)	54185 (06-00)	54206 (06-00)
54208 (06-00)	54191 (06-00)	54195 (06-00)	54197 (06-00)	54192 (06-00)
54196 (06-00)	54189 (06-00)	54183 (06-00)	54186 (06-00)	54218 (06-00)
54207 (06-00)	54217 (06-00)	54216 (06-00)	54214 (06-00)	54221 (06-00)
54220 (06-00)	54219 (06-00)	54193 (06-00)		

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

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COMMERCIAL PROPERTY COVERAGE

COVERAGES PROVIDED

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

LOCATION 001

ADDITIONAL FORMS THIS LOCATION: None

LOC 001 BLDG 001 423 Glover Ave
Enterprise, AL 36330-2022

OCCUPIED AS: Office

COVERAGE: Building Limit of Insurance \$110,900

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.217	\$241.00
Basic Group II	80%	250	0.152	169.00
Special	80%	250	0.091	101.00
Theft	80%	250		Included

OPTIONAL COVERAGE:

Replacement Cost

Inflation Guard Factor
Building
1.050

CAUSE OF LOSS	LIMITS	DEDUCTIBLE	RATE	PREMIUM
Property Plus Coverage Package	See Dec Page	250		\$128.00

COVERAGE: Personal Prop. Limit of Insurance \$128,250

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$250	0.315	\$404.00
Basic Group II	80%	250	0.121	155.00
Special	80%	250	0.082	105.00
Special Including Theft	80%	250	0.067	86.00

OPTIONAL COVERAGE:

Replacement Cost

Inflation Guard Factor
Personal Property
1.026

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COMMERCIAL PROPERTY COVERAGE

ADDITIONAL FORMS THIS BUILDING: CP1218 (10-91) IL0003 (11-85) IL0190 (03-97)
CP0145 (12-00) 59350 (02-03) CP0090 (07-88) CP0010 (10-91) CP1030 (10-91)

SECURED INTERESTED PARTIES: See Attached Schedule

RATING INFORMATION

Territory: 160

Program: Premier Contractors

Class Rate - Building: 0.271

County: Coffee

Construction: Non-Comb

PC: 05

Class Code: 2702

Class Rate - Contents: 0.393

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350

\$14.00

LOCATION 001 PREMIUM

\$1,403.00

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

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SECURED INTERESTED PARTIES AND/OR ADDITIONAL INTERESTED PARTIES

Applies to Loc/Bldg(s):

001/001

NEWCOURT LEASING CORP
125 TOWNPARK DR STE 200
KENNESAW, GA 30144
Interest: Loss Payable

INSURANCE COMPANY

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COMMERCIAL GENERAL LIABILITY COVERAGE

LIMITS OF INSURANCE

Bodily Injury General Aggregate Limit	\$1,000,000
Property Damage General Aggregate Limit	1,000,000
Bodily Injury Products/Completed Operations Aggregate Limit	1,000,000
Property Damage Products/Completed Operations Aggregate Limit	\$1,000,000
Personal And Advertising Injury Limit	1,000,000
Bodily Injury Each Occurrence Limit	1,000,000
Property Damage Each Occurrence Limit	1,000,000
Fire Damage Limit	50,000 Any One Fire
Medical Expense Limit	5,000 Any One Person
Bodily Injury Non-Owned Auto Occurrence Limit	1,000,000
Bodily Injury Non-Owned Auto Per Person Limit	1,000,000
Property Damage Non-Owned Auto Occurrence Limit	1,000,000

Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12 month period in accordance with form 55050.

AUDIT TYPE: Annual Audit

FORMS THAT APPLY TO LIABILITY: 59350 (02-03) 55118 (08-91) 55146 (07-96)
55068 (08-89) 55028 (01-88) IL0021 (11-85) 55029 (07-87) CG0001 (11-88)
CG0108 (11-85) IL0017 (11-85) 55064 (07-87) CL175 (02-86) 55069 (01-88)
CG2147 (09-89) 55137 (06-92) 55051 (07-87) 55183 (11-95) 55202 (05-00)
55145 (12-01) 55050 (06-01)

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 001 BLDG 001 423 Glover Ave
Enterprise, AL 36330-2022

TERRITORY: 009 COUNTY: Coffee

Classification	Subline	Premium Basis	Rates	Premium
CODE 21585 Premier Contractors Class Sub-Contracted Work	Prem/Op Prod/Comp Op	Total Costs If Any If Any	Each 1000	
CODE 24001 Premier Contractors Class Non Owned/Hired Auto Liability	Auto	1-25 Emp Flat Charge		\$97.00
CODE 25647 Premier Contractors Class Heating/Air Conditioning Installation/Service/Repair No Lpg	Prem/Op Prod/Comp Op	Payroll 120,000 120,000	Each 1000 31.355 9.185	\$3,763.00 \$1,102.00

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COMMERCIAL GENERAL LIABILITY COVERAGE

CODE 49950

Additional Interests

Lessor Of Leased Equipment

Newcourt Leasing

Prem/Op

50,000

2.000

\$100.00

FOREIGN TERRORISM - CERTIFIED ACTS

SEE FORM 59350

\$51.00

LOCATION 001 PREMIUM

\$5,113.00

INSURANCE COMPANY
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COMMERCIAL INLAND MARINE COVERAGE

COVERAGES PROVIDED

Insurance at the described premises applies only for which a limit of insurance is shown.

FORMS THAT APPLY TO INLAND MARINE: 16082 (08-93) 16079 (05-86) 16242 (05-95)
16080 (08-86) 16010 (10-97) 59350 (02-03)

LOCATION OF PREMISES

LOC 001 BLDG 001 423 Glover Ave
Enterprise, AL 36330-2022

COVERAGE	LIMIT	DED	RATE	PREMIUM
OTHER				
8527 Communication Devices	\$8,300	\$250	25.744	\$206.00
8383 Installation Floater	50,000	250	21.330	1,067.00
8856 Tools & Equipment	5,000	250	27.682	138.00

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350 \$14.00

LOCATION 001 PREMIUM \$1,425.00

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SUPPLEMENTAL DECLARATIONS

LOSS PAYEE APP TO 5 8600 MOBILE RADIOS (\$3395)

E F JOHNSON

16326 SE 30TH PL STE 100

BELLEVUE WA 98007

LEASE #0011057777001

MISCELLANEOUS PROPERTY

BASE STATION MD# M02 UCH6RR6AN SN 419AVL0117 700

MOBILE RADIO MDLH02 UCH6RR8BN SN 340AWJ4867 400

MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWN187 400

MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ3168 400

MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ1335 400

MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWN669 400

MOBILE RADIO MD# H02 UCH6RR8BN SN 340AWJ1358 400

MOBILE RADIO MD# H36 UAH6RR5ANSN 831TBN3TB3 100

MOBILE RADIO MD# H36 UAH6RR5AN SN 831TBN3TRC 100

VICON 8000 STANDARD PLASMA CUTTING SYSTEM 5,000

**COMMERCIAL PROPERTY
CP 01 45 12 00**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALABAMA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:
 - 1.** We will not pay for loss or damage arising out of any act committed:
 - a.** By or at the direction of any insured; and
 - b.** With the intent to cause a loss.
 - 2.** However, this exclusion will not apply to deny coverage to an innocent co-insured when the loss or damage is otherwise covered under this policy and is proximately related to and in furtherance of an abusive act by an insured who is a family or household member. such coverage will be provided only if the innocent co-insured:
 - a.** Provides evidence of the abuse to us, to demonstrate that the loss is abuse-related; and
 - b.** For the act causing the loss, either:
 - (1)** Files a complaint under the Protection From Abuse Act against the abuser, and does not voluntarily dismiss the complaint; or
 - (2)** Seeks a warrant for the abuser's arrest and cooperates in the prosecution of the abuser.
 - 3.** If we pay a claim pursuant to Paragraph **B.2.**, our payment to the innocent co-insured is limited to that insured's legal interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event we will pay more than the Limit of Insurance.
- C.** The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:

If we pay an innocent co-insured for loss arising out of an act of abuse by another insured, the rights of the innocent co-insured to recover damages from the abuser are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the abuser.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54182 (6-00)

ARSON REWARD

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Arson Reward

We will pay for information which leads to a conviction for arson in connection with a fire loss to Covered Property insured by this policy. The most we will pay is the Limit of Insurance shown in the Declarations for ARSON REWARD regardless of the number of persons who provide information. No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54188 (6-00)

BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Business Personal Property at Fairs or Exhibitions

We will pay for direct physical loss of or damage to Your Business Personal Property while it is temporarily at any fair or exhibition caused by or resulting from any Covered Cause of Loss. This Additional Coverage shall apply for a period not to exceed 15 days at any one fair or exhibition. This coverage does not apply to Covered Property in or on a vehicle.

Our payment for any one loss at any one fair or exhibition shall not exceed the Limit of Insurance shown in Declarations for BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS. The Additional Condition, Coinsurance does not apply to this Additional Coverage.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54199 (6-00)

BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 1. Covered Property, Your Business Personal Property**, the phrase ". . . within 100 feet of the described premises. . ." is deleted and replaced by ". . . within the distance, shown in the Declarations for BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE, from the described premises. . .".

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEBRIS REMOVAL

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **C. LIMITS OF INSURANCE**, the fourth paragraph is deleted and replaced by the following:

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
 - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to the Limit of Insurance shown in the Declarations for DEBRIS REMOVAL.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIRE DEPARTMENT SERVICE CHARGE

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages, c. Fire Department Service Charge** is deleted and replaced by the following:

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the Limit of Insurance shown in the Declarations for FIRE DEPARTMENT SERVICE CHARGE for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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54190 (6-00)

FIRE EXTINGUISHER RECHARGE

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Fire Extinguisher Recharge

We shall pay for the recharging of fire extinguishers which you own when such fire extinguishers have been discharged at a premises described in the Declarations to control a fire to which this policy applies.

The most we shall pay to recharge your fire extinguishers in any one occurrence is the Limit of Insurance shown in the Declarations for FIRE EXTINGUISHER RECHARGE.

No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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54223 (6-00)

GLASS BREAKAGE

This endorsement modifies insurance under the CAUSES OF LOSS - SPECIAL FORM.

Under **C. LIMITATIONS**, paragraph 2. is deleted and replaced by the following:

2. We will not pay more for loss of or damage to glass that is part of a building or structure than the Limit of Insurance shown in the Declarations for GLASS BREAKAGE for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than the Limit of Insurance shown in the Declaration for GLASS BREAKAGE for all loss or damage to building glass that occurs at any one time.

This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

All other policy terms and conditions apply.

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54184 (6-00)

INVENTORY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Inventory

- a. The Limit of Insurance for Business Personal Property (BPP) will automatically increase by the Limit of Insurance shown in the Declarations for INVENTORY for temporary variations in inventory.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 80% of your average monthly values during the lesser of:
 - (1) The twelve months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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54191 (6-00)

OUTDOOR PROPERTY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, e. Outdoor Property** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Outdoor Property

We shall pay for direct physical loss or damage to your outdoor fences, radio and television antennas, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

Our payment for any one loss for all covered outdoor property shall not exceed the Limit of Insurance shown in the Declarations for OUTDOOR PROPERTY. Our payment for any one tree, shrub or plant (other than "stock" of trees, shrubs or plants) shall not exceed the Limit of Insurance per item shown in the Declarations under TREES, SHRUBS OR PLANTS.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54195 (6-00)

PERSONAL EFFECTS AND PROPERTY OF OTHERS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, b. Personal Effects of Others** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Personal Effects and Property of Others

We shall pay for direct physical loss or damage to:

- (1) Personal effects owned by you, your officers, your partners or your employees caused by or resulting from any Covered Cause of Loss except loss or damage by theft.
- (2) Personal property of others in your care, custody or control caused by or resulting from any Covered Cause of Loss.

Our payment for any one loss at any described premises shall not exceed the Limit of Insurance shown in the Declarations for PERSONAL EFFECTS AND PROPERTY OF OTHERS. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

The Additional Condition, Coinsurance does not apply to this Additional Coverage.

All other policy terms and conditions apply.

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54197 (6-00)

POLLUTANT CLEAN UP AND REMOVAL

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages, d. Pollutant Clean Up and Removal** is deleted and replaced by the following:

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage at each described premises for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy is the Limit of Insurance shown in the Declarations for POLLUTANT CLEAN UP AND REMOVAL.

All other policy terms and conditions apply.

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PROPERTY IN TRANSIT

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Property In Transit

- a. We will pay for direct physical loss or damage to Your Business Personal Property (other than property in the care, custody or control of your salespersons) in transit more than 1000 feet from the described premises covered by or resulting from any of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- b. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- c. Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for PROPERTY IN TRANSIT.
- d. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

2. Under the CAUSES OF LOSS - SPECIAL FORM, **E. ADDITIONAL COVERAGE EXTENSIONS, 1. Property In Transit** is deleted.

All other policy terms and conditions apply.

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54196 (6-00)

PROPERTY OFF-PREMISES

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, d. Property Off-Premises** is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Property Off-Premises

We shall pay for direct physical loss of or damage to your Covered Property, other than "stock":

- (1) That is temporarily at a location you do not own, lease or operate; and
- (2) Caused by or resulting from any Covered Cause of Loss.

This Coverage does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control of your salespersons; or
- (3) At any fair or exhibition.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for PROPERTY OFF-PREMISES.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REKEYING OF LOCKS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Rekeying of Locks

We will pay reasonable necessary expenses you incur to rekey locks on doors of the building described in the Declarations, provided the keys to such locks are a part of a theft loss covered by this policy. The most we will pay is the Limit of Insurance shown in the Declarations for REKEYING OF LOCKS. No Deductible applies to this Additional Coverage.

All other policy terms and conditions apply.

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54207 (6-00)

SIGNS (ATTACHED AND DETACHED)

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Signs

- (1) We will pay for direct physical loss of or damage to:
 - (a) your signs; or
 - (b) signs owned by others in your care, custody or control;caused by or resulting from any Covered Cause of Loss.
- (2) Under **A. COVERAGE, 2. Property Not Covered**, that portion of **p. (2)** that reads "signs (other than signs attached to buildings)" is deleted.
- (3) Under **C. LIMITS OF INSURANCE**, the second paragraph does not apply. The most we will pay for loss or damage to each sign is the Limit of Insurance shown in the Declarations for SIGNS (ATTACHED AND DETACHED). This is an additional amount of insurance.

All other policy terms and conditions apply.

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C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we

will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has

rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

CP 00 10 10 91
COMMERCIAL PROPERTY

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
 - (a) Fixtures;
 - (b) Machinery; and
 - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) if not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** located in or on the building described in the Declarations or in open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock;"
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. Personal Property of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of the buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, back-filling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues or drains;

n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;

o. Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (c) Rowboats or canoes out of water at the described premises;

p. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

(3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

- (2) Only if the loss or damage occurs within 10 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$250,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 10% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not

more than \$100,000 at each building.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records - Cost of Research

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the information on lost or damaged valuable

papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$1,000 at each described premises.

d. Property Off-Premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control or your salespersons; or
- (3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$5,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following cause of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant.

Each of these Exclusions is additional insurance. The Additional Condition, Co-insurance, does not apply to these Exclusions.

B. EXCLUSIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
 - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - b. The debris removal expense exceeds the amount payable under 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days

after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of loss or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:

(1) You have complied with all of the terms of this Coverage Part; and

(2) (a) We have reached agreement with you on the amount of loss; or

(b) An appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(1) Vandalism;

(2) Sprinkler leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Water damage;

(5) Theft; or

(6) Attempted theft.

b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than pre-packaged software programs), at the cost of:

- (1) Blank materials for reproducing the records; and
- (2) Labor to transcribe or copy the records when there is a duplicate.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When:

The value of property is 250,000

The Coinsurance percentage for it is 80%

The Limit of Insurance for it is 100,000

The Deductible is \$250

The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is \$250,000
 The Coinsurance percentage for it is 80%
 The Limit of Insurance for it is \$200,000
 The Deductible is \$250
 The amount of loss is \$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)
 Step (2): $\$200,000 \div \$200,000 = 1.00$
 Step (3): $\$40,000 \times 1.00 = \$40,000$
 Step (4): $\$40,000 - \$250 = \$39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:

The value of the property is:

Bldg. at Location No. 1 \$75,000
 Bldg. at Location No. 2 \$100,000
 Personal Property at Location No. 2 \$75,000
 \$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location

Nos. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is Bldg. at Location No. 2 \$30,000

Personal Property at Location No. 2 \$ 20,000

\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$.

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies.

We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
- (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is	
$\$100,000 \times .08 \times 146 \div 365 =$	\$3,200

3. Replacement Cost

- a. Replacement Cost: (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Property of others;
 - (2) Contents of a residence;
 - (3) Manuscripts;
 - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (5) "Stock," unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of

your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
 2. Limited in Section C., Limitations;
- that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

b. Earth Movement

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic

actions results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

e. Off-Premises Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision;
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage

results, we will pay for that resulting loss or damage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosions results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

- h. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have en-

trusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- j. Rain, snow, ice or sleet to personal property in the open.

- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the resulting loss or damage.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock;" or
- (b) The time required to reproduce "finished stock."

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your canceling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following Exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a., Ordinance or Law;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Power Failure; and
- (e) Paragraph B.1.f., War and Military Action.

(2) Contractual Liability

We will not defend any claim or "suit," or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(3) Nuclear Hazard

We will not defend any claim or "suit," or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

C. LIMITATIONS

1. We will not pay for loss of or damage to:

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in C.5.a. below.

e. Property that is missing, where the only evidence of the loss or damage is a

f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.

g. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay more for loss of or damage to glass that is part of a building or structure than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$500 for all loss of or damage to building glass that occurs at any one time.

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.

b. Animals, and then only if they are killed or their destruction is made necessary.

c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass that is part of a building or structure;

(2) Containers of property held for sale; or

(3) Photographic or scientific instrument lenses.

d. Builders' machinery, tools, and equipment you own or that are entrusted to you, while away from the premises described in the Declarations, except as provided in paragraph C.5.b. below.

4. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

5. Builders' Risk Coverage Form Limitations

The following provisions apply only to the Builders' Risk Coverage Form.

- a. Limitation 1.d. is replaced by the following:
 - d. Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
- b. Limitation 3.d. is replaced by the following:
 - d. Builders' machinery, tools and equipment you own or that are entrusted to you.

6. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material es-

caped. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

D. ADDITIONAL COVERAGE COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- 1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- 2. Hidden decay;
- 3. Hidden insect or vermin damage;
- 4. Weight of people and personal property;
- 5. Weight of rain that collects on a roof;
- 6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.
 - a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
 - b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
 - c. The most we will pay for loss or damage under this Extension is \$1000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to the Extension.

2. **Water Damage, Other Liquids, Powder or Molten Material Damage.** If loss or damage

caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes

F. DEFINITIONS

"Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of ice and snow, ice or sleet; water damage.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.
2. Falling objects does not include loss or damage to:
 - a. Personal property in the open; or
 - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54205 (6-00)

BUSINESS INCOME AND EXTRA EXPENSE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. The following coverages are added to A. COVERAGE, 4. Additional Coverages:

a. Business Income

Subject to the Limit of Insurance provisions of this endorsement, we will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration".

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

b. Extra Expense

Subject to the Limit of Insurance provisions of this endorsement, we will pay necessary Extra Expense you incur during the "period of restoration".

Extra Expense means expense incurred:

- (1) To avoid or minimize the suspension of business and to continue "operations":
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including:
 - 1) Relocation expenses; and
 - 2) Costs to equip and operate the replacement or temporary locations.

- 3) To minimize the suspension of business if you cannot continue "operations".

- 4) (a) To repair or replace any property; or

- (b) To research, replace or restore the lost information on damaged valuable papers and records:

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or the Additional Coverage, Business Income.

2. Limit of Insurance

The following provisions apply only to the Additional Coverages, Business Income and Extra Expense.

- a. In the event of loss or damage to Covered Property which is covered by the following Additional Coverages:

- (1) WATER BACK-UP FROM SEWERS OR DRAINS;
- (2) REFRIGERATED PRODUCTS;
- (3) OFF-PREMISES UTILITY SERVICE FAILURE;
- (4) MECHANICAL BREAKDOWN; or
- (5) ORDINANCE OR LAW;

and you sustain actual loss of Business Income due to the necessary suspension of your "operations" during the "period of restoration" or incur necessary Extra Expense during the "period of restoration", we shall not pay more

than the applicable Limit of Insurance shown in the Declarations for:

- (1) WATER BACK-UP FROM SEWERS OR DRAINS;
- (2) REFRIGERATED PRODUCTS;
- (3) OFF-PREMISES UTILITY SERVICE FAILURE;
- (4) MECHANICAL BREAKDOWN; or
- (5) ORDINANCE OR LAW;

for all loss or damage including Business Income and Extra Expense.

- b. When a specific dollar amount is shown in the Declarations as the Limit of Insurance for BUSINESS INCOME AND EXTRA EXPENSE, and the loss of or damage to Covered Property is not covered by the following Additional Coverages:

- (1) WATER BACK-UP FROM SEWERS OR DRAINS;
- (2) REFRIGERATED PRODUCTS;
- (3) OFF-PREMISES UTILITY SERVICE FAILURE;
- (4) MECHANICAL BREAKDOWN; or
- (5) ORDINANCE OR LAW;

the Limit of Insurance shown in the Declarations for BUSINESS INCOME AND EXTRA EXPENSE is the most we will pay for the actual loss of Business Income you sustain due to the suspension of your "operations" during the "period of restoration" and necessary Extra Expense you incur during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet caused by or resulting from any Covered Cause of Loss.

- c. When the Limit of Insurance shown in the Declarations for BUSINESS INCOME AND EXTRA EXPENSE is shown as, ACTUAL LOSS SUSTAINED, and loss of or damage to Covered Property is not covered by the following Additional Coverages:

- (1) WATER BACK-UP FROM SEWERS OR DRAINS;
- (2) REFRIGERATED PRODUCTS;
- (3) OFF-PREMISES UTILITY SERVICE FAILURE;
- (4) MECHANICAL BREAKDOWN; or

(5) ORDINANCE OR LAW;

we will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration" and necessary Extra Expense you incur during the "period of restoration" that occurs within 12 consecutive months after the date of direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Cause of Loss. This is an additional amount of insurance.

3. The following conditions apply in addition to the Common Policy Conditions, Commercial Property Conditions and Commercial Property Loss Conditions.

a. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

b. Duties In The Event Of Loss Or Damage

If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

c. Limitation - Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- (1) 60 consecutive days from the date of direct physical loss or damage; or
- (2) The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1-September 1. Loss during the period September 2-October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1-September 29 (60 consecutive days). Loss during the period September 30-October 15 is not covered.

d. Loss Determination

- (1) The amount of Business Income loss will be determined based on:

- (a) The Net Income of the business if no loss or damage occurred;
- (b) The likely Net Income of the business if no loss or damage occurred;
- (c) The operation expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (d) Other relevant sources of information, including;

- 1) Your financial records and accounting procedures;
- 2) Bills, invoices and other vouchers; and
- 3) Deeds, liens or contracts.

- (2) The amount of Extra Expense will be determined based on:

- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- 1) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
- 2) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (b) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

(3) Resumption Of Operations

We will reduce the amount of your:

(a) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(4) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

e. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

(1) You have complied with all of the terms of this Coverage Part; and

(2) (a) We have reached agreement with you on the amount of loss; or

(b) An appraisal award has been made.

4. The following definitions apply only to this endorsement:

All other policy terms and conditions apply.

"Operations" means your business activities occurring at the described premises.

"Period of Restoration" means the period of time that:

a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54185 (6-00)

NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

1. Under **A. COVERAGE, 5. Coverage Extensions, a. Newly Acquired or Constructed Property**, is deleted.
2. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Newly Acquired or Constructed Property

- a. We will pay for direct physical loss or damage to:

- (1) Your new buildings while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for:
 - (a) Similar use as the building described in the Declarations; or
 - (b) Use as a warehouse.

The most we will pay for loss or damage is the Limit of Insurance shown in the Declarations for **NEWLY ACQUIRED OR CONSTRUCTED PROPERTY**.

- b. We will pay for direct physical loss of or damage to Your Business Personal Property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage is the Limit of Insurance shown in the Declarations for **NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY** at each building.

- c. Coverage for each newly acquired or constructed property will end when any of the following first occurs:

- (1) This policy expires.
- (2) The number of days shown in the Declarations under:
 - (a) **NEWLY ACQUIRED OR CONSTRUCTED PROPERTY - INCREASED LIMIT**; or
 - (b) **NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY - INCREASED LIMIT**;expire after you acquire or begin to construct the property.

- (3) You report values to us.

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(4) You secure other insurance for such property.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54206 (6-00)

OFF-PREMISES UTILITY SERVICE FAILURE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under the **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Off-Premises Utility Service Failure

In the event of the interruption of utility service to the described premises caused by direct physical loss of or damage to off-premises "utilities", we shall pay for loss of or damage to Covered Property at the premises described in the Declarations.

2. The most we shall pay for all loss or damage caused directly by power interruption to the described premises in any one loss is the Limit of Insurance shown in the Declarations for OFF-PREMISES UTILITY SERVICE FAILURE. In the event that the amount of loss of or damage to Covered Property does not exceed the Limit of Insurance shown in the Declarations for OFF-PREMISES UTILITY SERVICE FAILURE, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.
3. Under the CAUSES OF LOSS - SPECIAL FORM, **B. EXCLUSIONS**, exclusion **1.e. Off-Premises Services** is deleted and replaced by the following exclusions for this Additional Coverage only:

e. Off-Premises Service

Loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss. This exclusion does not apply to loss of or damage to Covered Property at the premises described in the Declarations in the event of the interruption of utility service to the described premises caused by direct physical loss of or damage to off-premises "utilities".

4. Definitions

The following definitions apply only to this Additional Coverage:

- a. **"Communication Supply Services"**, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays except satellites.

- b. **"Power Supply Services"**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines.
- c. **"Utilities"** shall mean, "water supply services", "communication supply services" and "power supply services", which are:
 - (1) Not located on a described premises; and
 - (2) Not rented, leased or owned by any insured.
- d. **"Water supply Services"**, means the following types of property supplying water to the described premises:
 - (1) Pumping stations; and
 - (2) Water mains.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54208 (6-00)

ORDINANCE OR LAW

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

A. Coverage

1. Coverage A - Coverage For Loss to the Undamaged Portion of the Building.

If a Covered Cause of Loss occurs to covered Building property and a Limit of Insurance is shown in the Declarations under ORDINANCE OR LAW, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c. Is in force at the time of loss.

2. Coverage B - Demolition Cost Coverage.

If a Covered Cause of Loss occurs to covered Building property and a Limit of Insurance is shown in the Declarations under ORDINANCE OR LAW, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law in force at the time of loss.

3. Coverage C - Increased Cost of Construction Coverage.

If a Covered Cause of Loss occurs to covered Building property and a Limit of Insurance is shown in the Declarations under ORDINANCE OR LAW, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law in force at the time of loss. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law in force at the time of loss.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

B. Exclusion

The following exclusion applies only to the coverage provided by this endorsement:

We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

C. Limit of Insurance

The most we shall pay for the total of all covered loss caused by the enforcement of any ordinance or law under Coverage A, Coverage B and Coverage C combined, is the Limit of Insurance shown in the Declarations for ORDINANCE OR LAW. Subject to this Limit of Insurance the following loss payment provisions apply:

1. Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:
 - a. If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to Covered Property caused by enforcement of an ordinance or law, than the lesser of:
 - (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit of Insurance shown in the Declarations under ORDINANCE OR LAW.
 - b. If the Replacement Cost Coverage option applies and the property is not repaired or replaced or if the Replacement Cost Coverage option does not apply, we will not pay more for loss or damage to Covered Property caused by enforcement of an ordinance or law, than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit of Insurance shown in the Declarations under ORDINANCE OR LAW.
2. Under Coverage B - Demolition Cost Coverage we will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The Limit of Insurance shown in the Declarations under ORDINANCE OR LAW.
3. Under Coverage C - Increased Cost of Construction Coverage:
 - a. We shall not pay:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, we will not pay more than the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The Limit of Insurance shown in the Declarations under ORDINANCE OR LAW.
 - c. If the ordinance or law requires relocation to another premises, we will not pay more than the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The Limit of Insurance shown in the Declarations under ORDINANCE OR LAW.
4. In the event that the total amount paid under Coverage A, Coverage B and Coverage C combined does not exceed the Limit of Insurance shown in the Declarations for ORDINANCE OR LAW, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.

D. The terms of this endorsement apply separately to each building to which this endorsement applies.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REFRIGERATED PRODUCTS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Refrigerated Products

We shall pay for loss of or damage to "perishable stock" caused directly by any of the following:

- (1) Mechanical breakdown of the refrigeration system; or
- (2) The interruption of electrical services to the refrigeration system caused by damage to electrical generating or transmission equipment.

You must exercise diligence in inspecting and maintaining refrigeration equipment. If interruption of electrical service or mechanical or electrical breakdown is known, you must use all reasonable means to protect the covered property from further damage.

2. Under **C. LIMITS OF INSURANCE**, the following limitation is added:

The most we shall pay for all loss or damage caused directly by mechanical or electrical breakdown of the refrigeration system or the interruption of electrical service to the refrigeration system caused by damage to electrical generating or transmission equipment in any one loss is the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS. In the event that the amount of loss of or damage to "perishable stock" does not exceed the Limit of Insurance shown in the Declarations for REFRIGERATED PRODUCTS, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.

3. Under the CAUSES OF LOSS - SPECIAL FORM, **B. EXCLUSIONS**, exclusion 2. d. (6) is deleted and replaced by the following exclusion for this endorsement only:

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision or mechanical breakdown of refrigeration systems;

4. Definitions

The following definition applies only to this Additional Coverage:

"Perishable stock" means merchandise held in storage or for sale that is refrigerated for preservation and is susceptible to loss or damage if the refrigeration fails.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54186 (6-00)

WATER BACK-UP FROM SEWERS OR DRAINS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Subject to the provisions of paragraph 2. below, under **B. EXCLUSIONS**, g. **Water** subparagraph (3) is deleted.
2. Under **C. LIMITATIONS** the following limitation is added:

In any one loss, we will not pay more than the Limit of Insurance shown in the Declarations under WATER BACK-UP FROM SEWERS OR DRAINS for loss of or damage to Covered Property caused by water back-up from sewers or drains. In the event that the amount of loss of or damage to Covered Property does not exceed the Limit of Insurance shown in the Declarations for WATER BACKUP FROM SEWERS OR DRAINS, you may, at your option, apply the remainder of this Limit of Insurance to your actual loss of Business Income or necessary Extra Expense, if any, subject to the terms and conditions of the Additional Coverage, Business Income and Extra Expense.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54218 (6-00)

ACCOUNTS RECEIVABLE

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Accounts Receivable

We will pay:

1. all amounts your customers owe you that you cannot collect;
2. interest charges on loans you secure to offset impaired receipts until we pay these amounts;
3. collection costs in excess of normal; and
4. other expenses you reasonably incur to re-establish your records;

which result from direct physical loss of or damage to your records of accounts receivable;

1. caused by or resulting from any Covered Cause of Loss; and
2. which occurs on the premises described in the Declarations.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for ACCOUNTS RECEIVABLE.

2. The following exclusions apply only to this Additional Coverage. **B. EXCLUSIONS** of the CAUSE OF LOSS - SPECIAL FORM does not apply to this Additional Coverage.

Exclusions

1. We do not cover loss caused directly or indirectly by any of the following, whether or not any cause or happening contributes concurrently or in any sequence to the loss:
 - a. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of the fire to prevent its spread if the fire would be covered under this form.
 - b. Nuclear action, meaning nuclear reaction, radiation, radioactive contamination, however caused and whether controlled or uncontrolled, or any consequence of any of these. Nuclear action includes the discharge of a nuclear weapon, even if accidental.
 - c. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
 - d. Any dishonest act of:
 - (1) you or your employees;

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- (2) your authorized representatives; or
 - (3) anyone entrusted with the property;
- while working or not working and whether alone or in collusion with others.
- e. Bookkeeping, accounting or billing errors or omissions.
 - f. Falsification, alteration, concealment or destruction of records done to conceal the wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - g. Electrical or magnetic injury, disturbance or erasure of electronic recordings. But we do cover direct loss caused by lightning.
 - h. Voluntary parting with any property by you or anyone entrusted with it if induced to do so by any fraudulent scheme, trick, device or false pretense.
2. We will not pay for any loss that relies solely upon an audit of records on an inventory computation to prove its factual existence.
3. Except as to ensuing loss not otherwise excluded, we do not cover loss resulting directly or indirectly from:
- a. Acts or decisions of any person, group, organization or governmental body, or their failure to act or decide.
 - b. Faulty, inadequate or defective:
 - (1) construction, reconstruction, repair, remodeling or renovation;
 - (2) materials used in construction, reconstruction, repair, remodeling or renovation;
 - (3) design, workmanship, specifications;
 - (4) siting, surveying, zoning, planning, development, grading or compaction; or
 - (5) maintenance;of a part or all of any property.
4. Except as to ensuing loss not otherwise excluded, we do not cover loss resulting directly or indirectly from collapse, unless;
- a. the loss involves collapse of a building or part of a building; and
 - b. the collapse is caused by any of the following:
 - (1) hidden decay, hidden insect damage or hidden vermin damage;
 - (2) weight of people; contents, animals, equipment and/or furniture;
 - (3) defective material or defective methods used in construction, reconstruction, renovation or remodeling;
 - (4) weight of rain on a roof; or

- (5) fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of ice, snow or sleet; water damage; all only as covered in this form.

3. In addition to the conditions of this coverage form, the following conditions apply to this Additional Coverage. These additional conditions apply only to this Additional Coverage.

a. **Protection of Records of Accounts Receivable**

For coverage to apply under this Additional Coverage, you must keep all records of accounts receivable in a locked safe or vault when:

- (1) you are not open for business; or
- (2) you are not using such records; or
- (3) such records are not removed from premises as permitted under the Additional Coverage, **Preservation of Property**.

b. The following is added to the Loss Payment Condition:

- (1) If you cannot accurately establish the accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54217 (6-00)

ELECTRONIC DATA PROCESSING EQUIPMENT

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

Under **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Electronic Data Processing Equipment

1. Covered Property

We will pay for:

- a. direct physical loss of or damage to electronic equipment, component parts of such equipment, "media" and air conditioning equipment necessary for the operation of the electronic equipment:

- (1) which you own or which is in your care, custody or control; and
- (2) while located at the premises described in the Declarations; and
- (3) caused by or resulting from any Covered Cause of Loss.

We do not cover "laptop computers".

- b. your costs to research, replace or restore information on "media" which has incurred direct physical loss or damage.

2. Exclusions

The following exclusions apply only to this Additional Coverage. **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM does not apply to this Additional Coverage.

We do not cover under this Additional Coverage, loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

- a. Loss or damage caused by:

- (1) corrosion or rusting;
- (2) dryness or dampness of atmosphere; or
- (3) extremes of temperature;

unless directly resulting from accidental direct physical damage to the data processing system's air conditioning equipment caused by a peril not excluded.

- b. Any dishonest, fraudulent or criminal act by:

- (1) you;
- (2) your partners; or
- (3) any of your officers, directors, or trustees;

whether acting alone or in collusion with others.

- c. Loss or damage caused by data processing "media" failure, while the "media" is being run through the system. We will cover loss, damage or expense caused directly by ensuing fire or explosion.

- d. Actual work upon, installation or testing of property covered. We will cover loss caused by ensuing fire or explosion.
- e. Faulty construction or error in design of the property covered. We will cover loss, damage or expense caused directly by ensuing fire or explosion.
- f. Delay or loss of market.
- g. Loss or damage to any "laptop computer".

3. Limit of Insurance

- a. Our payment for electronic equipment, component parts of such equipment and air conditioning equipment necessary for the operation of such electronic equipment shall not exceed the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.
- b. Our payment for "media" shall not exceed the smallest of the following:
 - (1) the actual cost to repair, replace or reproduce the "media", including your costs to research, replace or restore information;
 - (2) if the "media" is not repaired, replaced or reproduced, the value of blank "media"; or
 - (3) the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

The Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT is the total limit of our liability for loss or damage to all Covered Property in any one occurrence at one location. With respect to Covered Property you do not own, we will pay no more than the amount for which you are legally liable.

The Additional Condition, Coinsurance does not apply to this Additional Coverage.

4. Coverage Extensions

a. Property At Newly Acquired Or Temporary Locations

We will pay for direct physical loss or damage to Covered Property caused by or resulting from any Covered Cause of Loss at:

- (1) any location you acquire for similar occupancy or warehousing purposes; or
- (2) any temporary location, other than fairs or exhibitions, you acquire for similar occupancy or warehousing purposes;

other than at the premises shown in the Declarations, but within territorial limits.

The most we will pay for loss or damage under this extension is the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

This coverage extension will stop:

- (1) 60 days from your acquisition or use of such property;
- (2) on the date, values at such locations are reported to us; or
- (3) on the expiration date of the policy;

whichever comes first.

Additional premium shall be due and payable for values reported from the date the property arrives at such locations.

b. Newly Acquired Property

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We will pay for direct physical loss of or damage to property which you acquire of the same type as the property covered at any one location caused by or resulting from any Covered Cause of Loss.

The most we will pay for loss or damage under this extension is the Limit of Insurance shown in the Declarations for ELECTRONIC DATA PROCESSING EQUIPMENT.

This coverage will stop:

- (1) 60 days from your acquisition or use of such property;
 - (2) on the date values of such property are reported to us; or
 - (3) on the expiration date of the policy;
- whichever occurs first.

Additional premium shall be due and payable for values reported from the date the property is acquired.

5. Additional Coverages

a. Transportation

You may apply up to \$10,000, for any one occurrence for loss of or damage to property caused by:

- (1) fire; lightning; windstorm and hail; explosion; smoke; riot and civil commotion; and vandalism and malicious mischief;
- (2) the overturning, upset, or collision of the vehicle, transporting the insured property, with another vehicle object other than the road bed; or
- (3) theft of an entire shipping bale, case or package from a vehicle:
 - (a) while such property is in a fully enclosed and securely locked body or compartment; and
 - (b) theft results from forcible entry, evidenced by visible marks;

which occurs during transportation by motor vehicles you own, lease or operate.

We do not cover under this extension property held as samples, held for rental or sale or that you rent to others while in the care, custody or control or salespersons.

b. Business Income and Extra Expense

(1) Business Income

- (a) Subject to the Limit of Insurance provisions of this additional coverage, we will pay for the actual loss of Business Income you sustain as a direct result of the necessary suspension of your "operations" during the "period of restoration" caused by accidental direct physical loss of or damage to:

- 1) the electronic equipment or "media" covered by this Additional Coverage;
- 2) the building housing the electronic equipment or "media" that prevents access to and use of the electronic equipment or "media"; or
- 3) the air conditioning or electrical systems that are required to operate the electronic equipment, provided such damage or destruction is inside the building or outside within 100 feet of the building;

caused by the perils insured against and subject to **2. Exclusions.**

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(b) We will also pay expenses you incur to reduce the covered loss. We will not pay for expenses:

- 1) you incur to extinguish a fire; or
- 2) expenses that exceed the amount by which the covered loss is reduced.

Business Income means the:

- (1) net income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) continuing normal operating expenses incurred, including payroll.

(2) **Extra Expense**

(a) Subject to the Limit of Insurance provisions of this additional coverage, we will pay necessary Extra Expense, other than loss of Business Income, you incur to continue "normal" operations of your business following accidental direct physical loss of or damage to:

- 1) the electronic equipment or "media" covered by this Additional Coverage;
- 2) the building housing the electronic equipment or "media" that prevents access to and use of the equipment or "media"; or
- 3) the air conditioning or electrical systems that are required to operate the electronic equipment, provided such damage or destruction is inside the building or outside within 100 feet of the building;

caused by the perils insured against and subject to **2. Exclusions.**

You must resume normal operation of your business as soon as practical.

(b) We will also cover the cost to repair, replace or restore:

- 1) books of accounts, abstracts, drawings;
- 2) card index systems; or
- 3) other records or data such as film, tape, disks, drum, cell or other magnetic storage or recording "media" for electronic data processing;

that have been damaged or destroyed by perils we insure against, if such cost:

- 1) exceeds the normal cost for such repair, replacement or restoration; and
- 2) was incurred to reduce loss under this endorsement.

Extra Expense means expense incurred:

(1) To avoid or minimize the suspension of business and continue "operations":

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- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including:
 - 1) Relocation expenses; and
 - 2) Costs to equip and operate the replacement or temporary locations.
 - 3) To minimize the suspension of business if you cannot continue "operations".
 - 4) (a) To repair or replace any Covered Property; or
 - (b) To research, replace or restore the lost information on damaged valuable papers and records:

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

(3) Coverage Extension

We extend Business Income and Extra Expense to include the actual loss or damage sustained by you which is a direct result of an interruption of the business as covered by this policy because access to the described business premises is prohibited by order of civil authority because of damage or destruction of property adjacent to the described premises by the perils insured against. Coverage applies while access is denied, but no longer than two consecutive weeks.

(4) Exclusions

The following exclusions apply to Business Income and Extra Expense provided by this Additional Coverage only, in addition to those contained in **2. Exclusions** above.

- (a) We will not be liable for any increase in loss of Business Income or Extra Expense caused by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:
 - 1) enforcement of any local or state ordinance or law regulating construction, repair or demolition of buildings or structures;
 - 2) interference at the described premises by strikers or other persons with:
 - a) rebuilding, repairing or replacing the property; or
 - b) resumption or continuation of business; or
 - 3) the suspension, lapse, or cancellation of any lease, license, contract or order beyond the period of restoration.
- (b) We will not cover loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

- 1) theft of any property, which is not an integral part of a building or structure at the time of loss. We will cover direct loss that ensues from a peril not excluded in this policy. We will cover direct loss by pillage and looting which occurs during and at the immediate place of riot or civil commotion.
- 2) any other consequential or remote loss.

(5) Limit of Insurance

(a) Business Income

Subject to (c) below, we will pay only for loss of your Business Income that occurs during the "period of restoration", but not exceeding 12 consecutive months after the date of accidental direct physical loss of or damage to covered property, resulting from a Covered Cause of Loss.

(b) Extra Expense

Subject to (c) below, we will pay for necessary Extra Expense during the "period of restoration" starting with the date of damage or destruction. Payments under this coverage shall not be limited by the expiration of the policy.

- (c)** Our total payment for both Business Income and Extra Expense for any one occurrence shall not exceed \$100,000.

(6) Loss Determination

(a) The amount of Business Income loss will be determined based on:

- 1) The Net Income of the business if no loss or damage occurred;
- 2) The likely Net Income of the business if no loss or damage occurred;
- 3) The operation expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- 4) Other relevant sources of information, including:
 - a) Your financial records and accounting procedures;
 - b) Bills, invoices and other vouchers; and
 - c) Deeds, liens or contracts.

(b) The amount of Extra Expense will be determined based on:

- 1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and
 - b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- 2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

(c) Resumption Of Operations

We will reduce the amount of your:

- 1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - 2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (d) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(7) Loss Payment - Business Income and Extra Expense

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- (1) You have complied with all of the terms of this Coverage Part; and
- (2) (a) We have reached agreement with you on the amount of loss; or
(b) An appraisal award has been made.

6. Definitions

The following definitions apply only to this Additional Coverage:

- a. **"Laptop computer"** means portable data collectors, notebook (laptop) computers, subnote book computers, palmtop computers, handheld computers and portable or any similar computer. Laptop computer does not mean cellular phone, wireless phone or pager.
- b. **"Media"** means materials on which information is recorded such as film, magnetic tape, paper tape, disks, drums, and cards. Media includes computer software.
- c. **"Normal"** means the condition than would have existed had no loss occurred.
- d. **"Operations"** means your business activities occurring at the described premises.
- e. **"Period of Restoration"** means the period of time that:
 - (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Regulates the prevention, control, repair, clean-up or restoration of environmental damage.

The expiration date of this policy will not cut short the "period of restoration".

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54216 (6-00)

SALESPERSON'S SAMPLES

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under the **A. COVERAGE 4. Additional Coverages**, the following Additional Coverage is added:

Salesperson's Samples

We will pay for direct physical loss of or damage to samples of merchandise described which are:

1. owned by you while in your care, custody or control;
2. owned by you and in the care, custody or control of your salesperson and/or agents; or
3. while in transit, except by parcel post, between your premises and the salesperson and/or agent.

caused by or resulting from any Covered Cause of Loss.

This coverage does not apply to:

1. Jewelry, furs or articles consisting principally of fur;
2. Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1000 feet of the described premises;
3. Property at or on the premises of your salespersons and/or agents; or
4. Merchandise intended for sale, which may be sold and shipped by you to others, or which has been purchased by you from others.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for SALESPERSON'S SAMPLES. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

2. The following exclusions apply only to this Additional Coverage. **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM does not apply to this Additional Coverage.

Exclusions

We do not cover under this form loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:

1. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of a fire to prevent its spread if the fire would be covered under this form.
2. Nuclear reaction, radiation, radioactive contamination, discharge of a nuclear weapon, however caused and whether controlled or uncontrolled, or any consequence of any of these. We will cover direct loss resulting from fire if caused by any of these, if fire is covered elsewhere in this form.

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3. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
 4. Wear and tear; inherent vice, hidden or latent defect; gradual deterioration; mechanical breakdown; insects vermin, rodents; depreciation; or by processing or any work on the property. We will cover direct loss from fire or explosion which is caused by any of these.
 5. Corrosion, rusting, dampness of atmosphere, or extremes of temperature.
 6. Misappropriation, secretion, conversion, infidelity or any dishonest act by you or other or the employees or agents of either to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.
 7. Artificially generated electrical currents to electrical apparatus. We will cover loss or damage caused directly by ensuing fire or explosion.
 8. Breakage, marring, scratching, tearing or denting, unless caused by: fire or lightning; aircraft; theft and/or attempted theft; cyclone, tornado or windstorm; earthquake; flood; explosion; malicious damage or collision, derailment or overturn of a transporting conveyance.
 9. Mysterious or unexplained disappearance or from shortage disclosed by taking inventory.
 10. Theft from any vehicle, unless at the time of the theft, there is actually in or upon such vehicle your salesperson, representative or a permanent employee, or a person whose sole duty it is to attend the vehicle. This exclusion shall not apply to property in the custody of a common carrier.
3. In addition to the conditions of this coverage form, the following conditions apply to this Additional Coverage. These additional conditions apply only to this Additional Coverage.

Conditions

1. PAIR OR SET

In case of loss of or damage to any part of a pair or set, we may:

- (a) repair or replace any part of the pair or set to restore it to its value before the loss; or
- (b) pay the difference between the actual cash value of the property before and after the loss.

2. PARTS

In case of loss or damage to any part of property covered, consisting of several parts when complete, we shall pay only for the value of the part lost or damaged.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

54214 (6-00)

VALUABLE PAPERS

This endorsement modifies insurance under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

1. Under the **A. COVERAGE, 4. Additional Coverages**, the following Additional Coverage is added:

Valuable Papers

We will pay for direct physical loss of or damage to your "valuable papers and records", caused by or resulting from any Covered Cause of Loss, while such papers and records are:

1. inside a building at the described premises; or
2. being moved outside the described premises; and
3. temporarily at a premises, other than the described premises, except storage. However, we shall pay no more than 10% of the Limit of Insurance shown in the Declarations for VALUABLE PAPERS.

This coverage does not apply to property:

1. held as samples for sale or for delivery after the sale;
2. which can not be replaced with property of like kind and quality; or
3. which the trading of or transportation of is prohibited by law.

Our payment for any one loss shall not exceed the Limit of Insurance shown in the Declarations for VALUABLE PAPERS. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

The following additional definitions apply only to this Additional Coverage.

1. **"Valuable Papers and Records":**

- a. means inscribed, written, or printed documents, manuscripts and records including: books, maps, films, drawings, abstracts, deeds and mortgages.
- b. does not mean:
 - (1) "money" or "securities"; nor
 - (2) electronic recordings of any kind.

2. **"Money"** means:

- a. currency, coins, bank notes, bullion; and
- b. travelers checks, register checks and money orders held for sale to the public.

3. **"Securities"** means all negotiable and non-negotiable:

- a. instruments; and
- b. contracts;

representing either "money" or other property and includes:

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- a. tokens, tickets, stamps; and
- b. revenue;

in current use, but does not include "money".

2. The following exclusions apply only to this Additional Coverage. **B. EXCLUSIONS** of the CAUSES OF LOSS - SPECIAL FORM does not apply to this Additional Coverage.

Exclusions

1. We do not cover under this form loss or damage caused directly or indirectly by any of the following, whether or not any other cause or happening contributes concurrently or in any sequence to the loss or damage:
 - a. Seizure or destruction of property by order of governmental authority. But we will pay for such acts of destruction taken at the time of a fire to prevent its spread if the fire would be covered under this form.
 - b. Nuclear reaction, radiation, radioactive contamination, discharge of a nuclear weapon, however caused and whether controlled or uncontrolled, or any consequence of any of these. We will cover direct loss resulting from fire if caused by any of these, if fire is covered elsewhere in this form.
 - c. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
 - d. Wear and tear; inherent vice, hidden or latent defect; gradual deterioration; mechanical break down; insects vermin, rodents; depreciation; or by processing or any work on the property. We will cover direct loss from fire or explosion which is caused by any of these.
 - e. Corrosion, rusting, dampness of atmosphere, or extremes of temperature.
 - f. Misappropriation, secretion, conversion, infidelity or any dishonest act by you or others or the employees or agents of either to whom the covered property may be entrusted. This exclusion does not apply to carriers for hire.
 - g. Bookkeeping, accounting or errors or omissions in processing or copying, unless fire or explosion ensues and then only for direct loss caused by such fire or explosion.
 - h. Electrical or magnetic injury, disturbance or erasure of electronic recordings. We do cover loss caused by lightning.
 - i. Collapse except to the extent it is covered under **D. ADDITIONAL COVERAGE - COLLAPSE**.
2. Except as to ensuing loss or damage not otherwise excluded, we do not cover loss or damage resulting directly or indirectly from:
 - a. Acts, omissions or decisions of any person, group, organization or governmental body.
 - b. Faulty, inadequate or defective:
 - (1) construction, reconstruction, repair, remodeling or renovation;
 - (2) materials used in construction, reconstruction, repair, remodeling or renovation;
 - (3) design, workmanship, specifications;
 - (4) siting, surveying, zoning, planning, development, grading or compaction; or
 - (5) maintenance;

of a part or all of any property.

All other policy terms and conditions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE DISHONESTY

This endorsement adds Crime Coverage to the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee Dishonesty".
3. **Coverage Extension**

Employee Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days. The amount we pay under this Coverage Extension is part of, not in addition to, the Limit of Insurance shown in the Declarations for EMPLOYEE DISHONESTY.

B. EXCLUSIONS

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Governmental Action:** Loss resulting from seizure or destruction or property by order of governmental authority.
3. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

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7. **Employee Cancelled Under Prior Insurance:** Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
8. **Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - a. An inventory computation; or
 - b. A profit and loss computation.

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the Limit of Insurance shown in the Declarations for EMPLOYEE DISHONESTY.

D. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for EMPLOYEE DISHONESTY. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.
2. You must:
 - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
 - b. Upon our request, give us a statement describing the loss.

E. GENERAL CONDITIONS

1. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
 - a. Any additional persons become "employees"; or
 - b. You acquire the use and control of any additional "premises";
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
2. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
3. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
 - a. Notify us as soon as possible.
 - b. Submit to examination under oath at our request and give us a signed statement of your answers.
 - c. Give us a detailed, sworn proof of loss within 120 days.

- d. Cooperate with us in the investigation and settlement of any claim.

4. Joint Insured

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we should pay if all the loss had been sustained by one Insured.

5. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance;
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

6. Loss Covered Under More Than One Coverage of This Insurance: If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

7. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
- (1) This insurance became effective at the time of cancellation or termination or the prior insurance; and
- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
- (1) This insurance as of its effective date; or
- (2) The prior insurance had it remained in effect.

8. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate: If any loss is covered:

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- a. Partly by this insurance; and
- b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

9. Non-Cumulation of Limit of Insurance: Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

10. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not or more than the Limit of Insurance.

11. Ownership of Property; Interests Covered: The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

12. Policy Period

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

13. Records: You must keep records of all Covered Property so we can verify the amount of any loss.

14. Recoveries

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

15. Territory: This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

16. Transfer of Your Rights of Recovery Against Others to Us: You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

17. Valuation - Settlement

a. Subject to the Limit of Insurance provision we will pay for:

(1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;

(a) At face value in the "money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Value of the "securities" at the close of the business on the day the loss was discovered; or

ii. Limit of Insurance.

(3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:

(a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or "premises"; or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":

(1) In the "money" of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

18. Cancellation As To any Employee: This insurance is cancelled as to any "Employee":

a. Immediately upon discovery by:

- (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the "employee";
- of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- b. On the date specified in a notice mailed to you. That date will be least 30 days after the date of mailing. The notice will be mailed to you at your last mailing address known to us.

F. DEFINITIONS

1. "Employee" means:

a. Any natural person:

- (1) While in your service (and for 30 days after termination of service);
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "Employee Dishonesty" in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

- (1) Cause you to sustain loss; and also
- (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
 - (a) The "employee"; or
 - (b) any person or organization intended by the "employee" to receive that benefit.

3. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

4. "Occurrence" means all loss caused by, or involving one or more "employees", whether the result of a single act or series of acts.

5. **"Property Other Than Money and Securities"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form and Property Not Covered.
6. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money."

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FORGERY OR ALTERATION

This endorsement adds Crime Coverage to the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

A. COVERAGE

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

1. **Covered Instruments:** Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - a. Made or drawn by or drawn upon you;
 - b. Made or drawn by one acting as your agent; orthat are purported to have been so made or drawn.
2. **Covered Cause of Loss:** Forgery or alteration of, on or in any Covered Instrument.
3. **Coverage Extension**

Legal Expenses: If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend the suit, we will pay for any reasonably legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

B. EXCLUSIONS

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Acts of Employees, Directors, or Trustees:** We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees", directors, or trustees:
 - a. Whether acting alone or in collusion with other persons; or
 - b. Whether while performing services for you or otherwise.
3. **Governmental Action:** Loss resulting from seizure or destruction or property by order of governmental authority.

4. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Instruments.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
5. **Legal Expenses:** Expenses related to any legal action.
6. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
7. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the Limit of Insurance shown in the Declarations for FORGERY AND ALTERATION.

D. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for FORGERY AND ALTERATION. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

E. GENERAL CONDITIONS

1. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
 - a. Any additional persons become "employees"; or
 - b. You acquire the use and control of any additional "premises";any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
2. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.

3. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Instruments you must:
 - a. Notify us as soon as possible.
 - b. Submit to examination under oath at our request and give us a signed statement of your answers.
 - c. Give us a detailed, sworn proof of loss within 120 days.
 - d. Cooperate with us in the investigation and settlement of any claim.
4. **Joint Insured**
 - a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
 - b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
 - c. An "employee" of any Insured is considered to be an "employee" of every Insured.
 - d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
 - e. We will not pay more for loss sustained by more than one Insured than the amount we should pay if all the loss had been sustained by one Insured.
5. **Legal Action Against Us:** You may not bring any legal action against us involving loss:
 - a. Unless you have complied with all the terms of this insurance;
 - b. Until 90 days after you have filed proof of loss with us; and
 - c. Unless brought within 2 years from the date you discover the loss.
6. **Loss Covered Under More Than One Coverage of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
 - a. The actual amount of loss; or
 - b. The sum of the limits of insurance applicable to those coverages.
7. **Loss Sustained During Prior Insurance**
 - a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and

- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
- (1) This insurance as of its effective date; or
- (2) The prior insurance had it remained in effect.
- 8. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:** If any loss is covered:
- a. Partly by this insurance; and
- b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- 9. Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- 10. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not more than the Limit of Insurance.
- 11. Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:
- a. That you own or hold; or
- b. For which you are legally liable.
- However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.
- 12. Policy Period**
- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.
- 13. Records:** You must keep records of all Covered Instruments so we can verify the amount of any loss.
- 14. Recoveries**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
- (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

15. Territory: This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

16. Transfer of Your Rights of Recovery Against Others to Us: You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

17. Valuation - Settlement

- a. Subject to the Limit of Insurance provision we will pay for:
- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - (a) At face value in the "money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
 - (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
 - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - i. Value of the "securities" at the close of the business on the day the loss was discovered; or
 - ii. Limit of Insurance.
 - (3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:



- (a) Actual cash value of the property on the day the loss was discovered;
- (b) Cost of repairing the property or "premises"; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money:"

- (1) In the "money" of the country in which the loss occurred; or

- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

- c. Any property that we pay for or replace becomes our property.

18. Facsimile Signatures: We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

19. Proof of Loss: You must include with your proof of loss any instrument involved in that loss, or if that is not possible, an affidavit setting forth the amount and cause of loss.

F. DEFINITIONS

- 1. "Employee" means:

- a. Any natural person:

- (1) While in your service (and for 30 days after termination of service);

- (2) Whom you compensate directly by salary, wages or commissions; and

- (3) Whom you have the right to direct and control while performing services for you; or

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. **"Money"** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

3. **"Occurrence"** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

4. **"Property Other Than Money and Securities"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form and Property Not Covered.

5. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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MONEY AND SECURITIES

This endorsement adds crime coverage to the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

A. COVERAGE - We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1. - Inside The Premises

a. Covered Property: "Money" and "securities" inside the "premises" or a "banking premises".

b. Covered Causes of Loss

(1) "Theft"

(2) Disappearance

(3) Destruction

c. Coverage Extensions

(1) **Containers of Covered Property:** We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the "premises" resulting directly from an actual or attempted:

(a) "Theft" of; or

(b) Unlawful entry into

those containers.

(2) **Premises Damage:** We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of Covered Property if you are the owner of the "premises" or are liable for damage to it.

2. Section 2. - Outside The Premises

a. Covered Property: "Money" and "securities" outside the "premises" in the care and custody of a "messenger".

b. Covered Causes of Loss

(1) "Theft"

(2) Disappearance

(3) Destruction

c. Coverage Extension

Conveyance Of Property By Armored Motor Vehicle Company: We will pay for loss of Covered Property resulting directly from the Covered Cause of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

The amount we pay under this Coverage Extension is part of, not in addition to the Limit of Insurance shown in the Declarations for MONEY AND SECURITIES.

B. EXCLUSIONS

We will not pay for loss as specified below:

1. **Accounting or Arithmetical Errors or Omissions:** Loss resulting from accounting or arithmetical errors or omissions.
2. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
3. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
 - a. Acting alone or in collusion with other persons; or
 - b. While performing services for you or otherwise.
4. **Exchanges or Purchases:** Loss resulting from the giving or surrendering of property in any exchange or purchase.
5. **Fire:** Loss from damage to the "premises" resulting from fire, however caused.
6. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
7. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.

- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- 8. Legal Expenses:** Expenses related to any legal action.
- 9. Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- 10. War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- 11. Money Operated Devices:** Loss of "property" contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- 12. Transfer or Surrender of Property**
- a. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
 - (1) On the basis of unauthorized instructions; or
 - (2) As a result of a threat to do:
 - (a) Bodily harm to any person; or
 - (b) Damage to any property.
 - b. But, this exclusion does not apply under COVERAGE, Section 2. to loss of Covered Property while outside the "premises" in the care and custody of a "messenger" if you:
 - (1) Had no knowledge of any threat at the time the conveyance began; or
 - (2) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- 13. Vandalism:** Loss from damage to the "premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.
- 14. Voluntary Parting of Title to or Possession of Property:** Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

C. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the Limit of Insurance shown in the Declarations for MONEY AND SECURITIES.

D. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations for MONEY AND SECURITIES. We will then pay the amount of loss in excess of the Deductible Amount up to the Limit of Insurance.

E. GENERAL CONDITIONS

1. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
 - a. Any additional persons become "employees"; or
 - b. You acquire the use and control of any additional "premises";any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
2. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
3. **Duties in the Event of Loss**
 - a. After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
 - (1) Notify us as soon as possible.
 - (2) Submit to examination under oath at our request and give us a signed statement of your answers.
 - (3) Give us a detailed, sworn proof of loss within 120 days.
 - (4) Cooperate with us in the investigation and settlement of any claim.
 - b. If you have reason to believe that any loss of or loss from damage to, Covered Property involves a violation of law, you must notify the police.
4. **Joint Insured**
 - a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
 - b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
 - c. An "employee" of any Insured is considered to be an "employee" of every Insured.

- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
 - e. We will not pay more for loss sustained by more than one Insured than the amount we should pay if all the loss had been sustained by one Insured.
5. **Legal Action Against Us:** You may not bring any legal action against us involving loss:
- a. Unless you have complied with all the terms of this insurance;
 - b. Until 90 days after you have filed proof of loss with us; and
 - c. Unless brought within 2 years from the date you discover the loss.
6. **Loss Covered Under More Than One Coverage of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
- a. The actual amount of loss; or
 - b. The sum of the limits of insurance applicable to those coverages.
7. **Loss Sustained During Prior Insurance**
- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - (1) This insurance became effective at the time of cancellation or termination or the prior insurance; and
 - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
 - b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance and is limited to the lesser of the amount recoverable under:
 - (1) This insurance as of its effective date; or
 - (2) The prior insurance had it remained in effect.
8. **Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:** If any loss is covered:
- a. Partly by this insurance; and
 - b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

9. **Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
10. **Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity, but not or more than the Limit of Insurance.
11. **Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:
- a. That you own or hold; or
 - b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

12. Policy Period

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

13. **Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

14. Recoveries

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

15. **Territory:** This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

16. **Transfer of Your Rights of Recovery Against Others to Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

17. Valuation - Settlement

a. Subject to the Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
 - (a) At face value in the "money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
 - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - 1) Value of the "securities" at the close of the business on the day the loss was discovered; or
 - 2) Limit of Insurance.
- (3) Loss of, or loss from damage to "property other than money and securities" or loss from damage to the "premises" for not more than the:
 - (a) Actual cash value of the property on the day the loss was discovered;
 - (b) Cost of repairing the property or "premises"; or
 - (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":

- (1) In the "money" of the country in which the loss occurred; or
- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

F. DEFINITIONS

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Employee"** means:
 - a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service);
 - (2) whom you compensate directly by salary, wages or commissions; and
 - (3) whom you have the right to direct and control while performing services for you; or
 - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

 - (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
3. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".
4. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
5. **"Occurrence"** means an:
 - a. Act or series of related acts involving one or more persons; or
 - b. Act or event, or a series of related acts or events not involving any person.
6. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
7. **"Property Other Than Money and Securities"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form as Property Not Covered.
8. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
9. **"Theft"** means any act of stealing.
10. **"Watchperson"** means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

All other policy terms and conditions apply.